

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
BOARD OF OIL, GAS, AND MINING  
1588 West North Temple  
Salt Lake City, Utah 84116

**RECEIVED**  
APR 02 1980

DIVISION OF  
OIL, GAS & MINING

\* MINED LANDS RECLAMATION AGREEMENT \*  
(ESCROW)

THIS AGREEMENT, made and entered into this 23rd day of April, 19 80, between Minerals West, Inc a corporation duly authorized and existing under and by virtue of the laws of Utah as party of the first part, and hereinafter called the Operator, and the Board of Oil, Gas, and Mining, duly authorized and existing by virtue of the laws of the State of Utah, as party of the second part hereinafter called the Board.

WITNESSETH:

WHEREAS, the Operator is the owner and in possession of certain mining claims and/or leases hereinafter more particularly mentioned and described in Exhibit "A" attached hereto.

WHEREAS, the Operator did on the 3rd day of August 19 77, file with the Division of Oil, Gas, and Mining, a "Notice of Intention to Commence Mining Operations: and a "Mining and Reclamation Plan" to secure authorization to engage, or continue to engage, in mining operations in the State of Utah, under the terms and provisions of the Mined Land Reclamation Act, Section 40-8, UCA, 1953;

WHEREAS, the Operator is able and willing to reclaim the above mentioned "lands affected" in accordance with the approved mining and reclamation plan, the Mined Land Reclamation Act and the rules and regulations adopted in accordance therewith.

WHEREAS, the Board has considered the factual information and recommendations provided by the staff of the Division of Oil, Gas, and Mining as to the magnitude, type and costs of the approved reclamation activities planned for the land affected.

WHEREAS, the Board is cognizant of the nature, extent, duration of operations, and the fact that the Operator has been unable to obtain a surety bond.



MINED LANDS RECLAMATION AGREEMENT (ESCROW)  
MR FORM 7a

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NOW THEREFORE, for and in consideration of the mutual covenants of the parties by each to the other made and herein contained, the parties hereto agree as follows:

1. The Operator promises to reclaim the land affected in accordance with the approved mining and reclamation plan. The Mined Land Reclamation Act, and the rules and regulations adopted in accordance therewith.
2. The Operator, in lieu of posting a bond or other surety hereby agrees to deposit (\$ 10,000.00 ) dollars, ~~commencing on the~~ day of 1980, ~~and on the same date each month thereafter,~~ in what will be hereinafter referred to as the Escrow Fund, until such time as said Escrow Fund contains (\$ 10,000.00 ) dollars, excluding interest.
3. The Board, in lieu of the posting of a bond or other surety, agrees to execute an Escrow Agreement with the Operator and any third party designated by said Operator.
4. Upon execution of the Escrow Agreement, the Operator agrees to furnish the Board a copy of each receipt of deposit no later than the 10th day of each month.
5. ~~The Board and the Operator agree that failure by the Operator to make a deposit into the Escrow Fund for any two consecutive months, shall constitute a Breach of Contract and the Board may, after notice and hearing, declare all monies in the Escrow Fund forfeited and request the Attorney General to take the necessary legal actions to enjoin further mining activities by the Operator in the State of Utah.~~

IN WITNESS WHEREOF, the parties of the first and second parts hereto have respectively set their hands and seals this 27 day of March 19 80.

By: Stephen M. Nelson

ATTEST:

Franklin L. Loman  
Secretary

BOARD OF OIL, GAS, AND MINING

By: C. R. Henderson

Note: If the Operator is a corporation, the agreement should be executed by its duly authorized officer with the seal of the Corporation affixed.



STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
BOARD OF OIL, GAS, AND MINING  
1588 West North Temple  
Salt Lake City, Utah 84116

\* ESCROW AGREEMENT \*

AGREEMENT made this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_,  
between the Board of Oil, Gas, and Mining, hereinafter called the Board,  
\_\_\_\_\_, and Minerals West Inc.  
hereinafter called the Operator, and First Security Bank  
hereinafter called the ESCROWEE.

WHEREAS, the Board and the Operator have entered into a Mined Land  
Reclamation Agreement upon terms and conditions therein set forth

WHEREAS, the Operator desires to execute an Escrow Agreement in lieu  
of furnishing a Bond or other form of surety for the purpose of meeting the  
requirements of Section 40-8-14, UCA, 1953.

IT IS THEREFORE AGREED:

1. Deposit of Escrow Fund. Commencing on the 27 day  
of 1980, ~~and on the same date each month thereafter, the Escrowee~~  
~~agrees to accept and the Operator agrees to deposit (\$~~10,000.00~~)~~  
dollars,  
~~dollars,~~ in what will be hereinafter referred to as the Escrow Fund,  
until such time as said Escrow Fund contains (\$ 10,000.00)  
dollars, excluding interest. All interest earned by the monies in  
said Fund shall accumulate to the benefit of the Fund until this  
Escrow Agreement is terminated by mutual consent of the undersigned  
or disbursement of the Funds therein is ordered by a court of  
competent jurisdiction.
2. Depository of Fund. The Fund shall be held by the Escrowee in an  
interest bearing account separate and apart from the personal funds  
of the Escrowee until such time as the Escrowee receives written  
direction, with respect to the disbursement of said Fund,  
together with interest earned thereby, signed by both the Board  
and the Operator.



3. Disputes. In the event of any disagreement between the undersigned or any of them, and/or any other person, resulting in adverse claims and demands being made in connection with any money, or property involved herein or affected hereby, the Escrowee shall be entitled at its option to refuse to comply with any such claim or demand, so long as such disagreement shall continue, and in so refusing, the Escrowee shall not become liable to the undersigned or any of them or to any other person for failure or refusal to comply with such conflicting or adverse demands and the Escrowee shall be entitled to continue to refrain and refuse to act until:
  - (a). the rights of the adverse claimants having been finally adjudicated in a court assuming and having jurisdiction of the parties, the money and property involved herein or affected hereby; and/or
  - (b). all differences shall have been adjusted by agreement and the Escrowee shall have been notified thereof in writing signed by all of the interest parties.
4. Liability of Escrowee. The Escrowee shall not be liable for any error of judgement or for any act done or step taken or omitted by him in good faith, or for any mistake of fact or law or for anything which he may do or refrain from doing in connection herewith, except his own willfull misconduct.
5. Protection of Escrowee. The Escrowee shall be protected in acting upon any notice, request, waiver, consent, receipt of other paper or document believed by the Escrowee to be genuine and to be signed by the proper party or parties.
6. Accounting. The Escrowee shall under no circumstances, be compelled to furnish a formal accounting for the Escrow Fund other than at the end of each calendar or fiscal year, to notify the Board and the Operator as to the date each payment was made into said Fund, the total amount contained therein and the interest accumulated thereby.



7. Fee. The fee of the Escrowee has been fixed by the Operator and the Escrowee under separate agreement. The Escrowee shall not be entitled to any additional fee for services rendered under this agreement.
8. Modification. This agreement may not be altered or modified without the express written consent of the Operator, the Board and the Escrowee.

IN WITNESS WHEREOF, the parties of the first and second parts hereto have respectively set their hands and seals this 23<sup>rd</sup> day of April 19 80.

By: Stacy M. Nelson

ATTEST:

Secretary

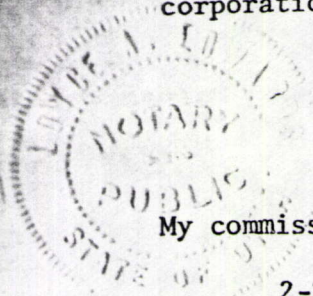
BOARD OF OIL, GAS, AND MINING

By: C. R. Henderson



STATE OF UTAH )  
COUNTY OF San Juan ) :ss

On this 23rd day of April, 19 80, personally appeared before me Stephen M. Nielson, who being by me duly sworn did say that he is the President of Minerals West, Inc., a Utah Corporation, and that the foregoing instrument was signed in behalf of said corporation by authority of its Board of Directors, and said Stephen M. Nielson acknowledged to me that said corporation executed the same.


  
Leroy A. Edwards  
NOTARY PUBLIC  
Residing in Monticello, Utah

My commission Expires:  
2-22-82

ACKNOWLEDGMENT  
\*\*\*\*\*

First Security Bank of Utah, N.A.,  
the Escrow Agent named in the foregoing Agreement, hereby acknowledges that there is on deposit at Monticello, Utah  
(address)  
deposited to the credit of Mineral West Inc. and State of Utah - Department of Natural Resources  
Operator named in the foregoing agreement, in the sum of \$10,000.00  
said sum constituting the first installment of the Escrow Fund; that it is aware of the within agreement, that it agrees to make disbursement of the proceeds of the within named trust account only within the provisions of the terms as outlined in said agreement.

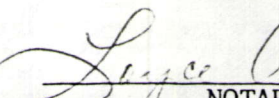
FIRST SECURITY BANK

By: 

Manager and Asst. Vice Pres. (Title)  
(Escrow Agent)

STATE OF UTAH )  
COUNTY OF Utah ) :ss

On this 3rd day of May, 19 80, personally appeared before me Elwood Lovell, who being by me duly sworn did say that he is the Manager of First Security Bank of Utah, N.A., a Utah Corporation, and that the foregoing instrument was signed in behalf of said corporation by authority of its Board of Directors, and said Elwood Lovell acknowledged to me that said corporation executed the same.

  
Leroy A. Edwards  
NOTARY PUBLIC  
Residing in Monticello, Utah

My Commission Expires:  
2-22-82